

U.S.A. - OREGON

I. Introduction

1. Identify the geographic scope and limits of your answers to the questions below.

Oregon, U.S.A.

II. Legislation

2. Please provide links to applicable statutes and regulations.

ORS 475B – Cannabis Regulation
 ORS 571.300 et seq – Industrial Hemp Growers and Handlers
 OAR 845-025 – State regulations regarding recreational marijuana
 OAR 603-048 – State regulations on industrial hemp
 OAR 333-007 – State regulations regarding testing and labeling of marijuana and hemp

A. Is there any pending legislation that could materially alter applicable statutes or regulations?

SB 5318 has passed but the drafted rules have not yet been implemented. These rules will significantly alter enforcement of cannabis licenses.

B. Is there any proposed legislation that could materially alter applicable statutes or regulations?

Legislature is not currently in session.

3. Are cannabis laws in your jurisdiction pretty well settled or are they constantly changing in material ways?

Early on, someone described the regulation of the Oregon cannabis industry as building a car while the car is being driven. Things have settled down somewhat since then, but the Oregon legislature and Oregon Liquor Control Commission (“OLCC”) do regularly tinker with the rules. These changes range from minor technical fixes all the way up to giving the OLCC the authority to deny applications to grow marijuana based on market conditions, an ability they did not have until this year.

III. General information (e.g., governing bodies, licenses, import/export)

4. What governing body regulates/licenses or enforces activities that are allowed in your jurisdiction?

The Oregon Liquor Control Commission issues cannabis licenses, regulates cannabis licenses, and oversees cannabis business activities across the state.

The Oregon Health Authority (“OHA”) administers Oregon’s medical marijuana program.

The Oregon Department of Agriculture (“ODA”) regulates the production and processing of hemp in Oregon.

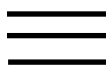
5. What cannabis functions are allowed in your jurisdiction? E.g., growing, processing, retailing.

The OLCC issues five types of cannabis licenses – production, processing, wholesale, retail, and laboratory.

The OHA allows registrants to grow cannabis for card-holding medical marijuana patients. The ODA registers growers and handlers of industrial hemp.

Hemp products may be sold at retail without a license or registration.

Oregon residents may grow up to four marijuana plants for personal use. No license or registration is required.



6. What sales or use is allowed in your jurisdiction? E.g., edibles, vaping, tinctures, food additives, etc.

The OLCC allows the sale of flower, edibles, concentrates, extracts, and topical products to Oregon consumers over the age of 21. Recent emergency rulemaking banned the use of certain non-cannabis-derived flavoring compounds in products for use in vaporizers, although Oregon courts temporarily stayed the ban as part of pending litigation.

A. Are the rules different for medical vs. adult recreational use?

Somewhat. Medical patients are able to purchase products with higher amounts of cannabinoids, and Oregon does not assess its point-of-sale tax on medical cannabis products. Despite ongoing conversations about integrating medical and recreational cannabis under a single regulator, for now Oregon continues to regulate medical and recreational cannabis through separate agencies.

B. Are retail sales of any cannabis products restricted to specific retail channels? E.g., medical dispensaries, government-owned stores, etc.

Yes, only licensed retail stores may sell cannabis. It is still technically possible to operate a medical marijuana-only dispensary in Oregon, although only three are currently registered with the OHA.

C. Are there zoning restrictions on where medical, wellness, or adult-use (recreational) outlets can be located? Applicable to all cannabis products?

Yes. Retail stores must be more than 1,000 feet from schools. These restrictions do not apply to other classes of licenses. Cannabis businesses are subject to local zoning codes and other laws and rules of general applicability. Cities and counties may place additional time, place, and manner restrictions on cannabis businesses. Shortly after Oregon legalized cannabis, certain cities and counties had a short window to ban cannabis business altogether, and much of eastern Oregon did so.

7. What import and export is allowed in your jurisdiction?

Current federal enforcement guidelines do not allow interstate commercial cannabis activity. Oregon has passed legislation that would allow the state to enter into agreements to import and export cannabis with other states, but only after federal law or enforcement guidelines change to allow such activity.

Hemp and hemp products may be freely imported and exported.

A. Are there restrictions in relation to the countries of origin, i.e. which countries of origin are permitted?

No.

B. Please describe restrictions on the import of cannabis seeds.

Marijuana seeds may not be imported or exported. Hemp seeds may be freely imported and exported.

8. Does your region distinguish between different types of cannabis products? (E.g., high or low concentrations of THC.)

A. If so, what distinctions exist?

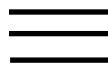
B. If so, briefly describe the differences.

C. Identify any related laws that should be considered when answering this question.

Not within OLCC regulations. Medical marijuana patients can purchase products with higher quantities of THC.

9. Are there legal requirements on Cannabidiol (CBD) products (without THC)?

Not with respect to Oregon law. Products containing hemp-derived CBD may be freely sold without a license.



IV. Patients and prescriptions

10. What specific medical conditions, if any, are recognized for treatment with cannabis?

- Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to the treatment of those medical conditions;
- A medical condition or treatment for a medical condition that produces, for a specific patient, one or more of the following:
 - (A) Cachexia;
 - (B) Severe pain;
 - (C) Severe nausea;
 - (D) Seizures, including seizures caused by epilepsy; or
 - (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;
- Post-traumatic stress disorder; or
- Any other medical condition or side effect related to the treatment of a medical condition adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition filed under ORS 475B.946.

Historically, this list of conditions has been interpreted broadly, and obtaining a medical marijuana card was not difficult. The number of cardholders in Oregon has dropped significantly since Oregon legalized adult-use cannabis.

11. Is there a licensed practitioner requirement in order to prescribe cannabis for medical purposes?

Yes.

12. Are there patient registration or cardholder requirements?

Yes.

V. Special requirements

13. Does your jurisdiction require any recordkeeping from seed planting to the time of end user sale? For all cannabis products?

Yes. Oregon tracks cannabis from seed to sale using the METRC platform.

14. Are special taxes imposed? On what and when?

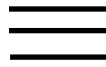
Yes. There is a 17% tax levied by the state at the point of retail sale. Cities and counties may levy an additional 3% local tax.

15. Are there any special rules or limitations that apply to the industry. E.g., banking, patent or trademark protection, labeling requirements?

“White labeling” and other types of contract manufacturing are common in Oregon. There are rumors that the OLCC may be clarifying or changing the rules governing such agreements, but it is unclear what form such regulations would take. There are significant labeling requirements, most surrounding having certain disclaimers included on products, as well as prohibiting labeling and advertising likely to be attractive to children. With respect to cannabis, Oregon does not place any restrictions on banking, trademarks, insurance, or other common business needs, though federal law does limit or restrict the availability of such services.

16. What is the legal status of access to financial services, including banking, merchant services, and cash handling?

Banks are theoretically allowed to service the industry, subject to “Know Your Customer” requirements and significant compliance obligations. In practice, most banking institutions still do not provide services to cannabis businesses nationwide. There are currently two credit unions in Oregon that provide basic commercial banking services to cannabis businesses.



Despite the changes to federal law, hemp businesses face the same difficulties finding banking services, though some banks have indicated willingness to offer services to the hemp industry as the federal government clarifies how hemp will be regulated.

17. Is data collected to determine the social or health impact of the rules in your jurisdictions? E.g.,

A. Impact on use by under age/minors.

Yes, information available [here](#).

B. Impact on beer, wine and spirit sales.

No.

C. Tax revenue.

Yes.

D. Impact on crime, including drug and alcohol addiction.

Yes.

VI. Risks and enforcement

18. What are the most critical issues currently facing the industry in your jurisdiction?

Access to banking, tax issues (under the U.S. tax code, cannabis businesses cannot currently deduct business expenses), lack of funding for the OLCC and other regulators, the export of black or grey market cannabis across state lines.

19. What is the current enforcement landscape with respect to cannabis? E.g., strict enforcement, low-enforcement, decriminalization, legalization.

The possession and use of cannabis use has been fully legalized, although there are limits on the amounts that may be possessed. Enforcement of laws related to personal possession and use has been deprioritized.

Oversight of licensed businesses is quite strict, although a large number of licensees compared to the number of regulators can lead to spotty enforcement.

A. Does enforcement differ based on quantity?

Yes, see above.

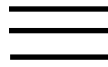
B. Does enforcement differ based on product type?

No.

VII. Your practice and useful links

20. Tell us a little about your cannabis practice and how it interacts with other practices at your firm. Remember to include any recognition awards your firm has received in this practice area. How much experience does your firm have providing services to cannabis companies and how much interest does your firm have to grow its cannabis practice?

Lane Powell's core cannabis team consists of four attorneys split between Seattle and Portland, all of whom have been working with cannabis businesses since their respective states legalized cannabis. The core team members act as liaisons between the cannabis industry and nearly two hundred other attorneys at the firm. As a full-service business law firm, Lane Powell provides a full range of transactional and litigation legal services to the cannabis industry. Lane Powell was ranked by Chambers & Partners as one of the top seven cannabis law firms in the U.S., and two team members were ranked among the top corporate/transactional cannabis



attorneys in the U.S. While cannabis remains somewhat novel in the U.S. legal community at large, Lane Powell understood early on that cannabis businesses would need the full range of legal services provided by larger law firms. Lane Powell's cannabis practice has grown with the industry and its clients, and will continue to be a leading provider of quality legal services to the cannabis industry.

21. Please provide links to any firm website, blogs, reputable trade publications, or attorneys that would help others understand the state of the law in your jurisdictions.

[Main site](#)

[Practice group webpage](#)

[Practice group blog](#)

A. Are there any relevant trade organizations?

Oregon Retailers of Cannabis Association
National Cannabis Industry Association
Oregon Cannabis Association

B. Are there any relevant lobbying organizations?

See above.

Contributor

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